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Attorneys for Defendant Blancey Lee

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

UNITED STATES OF AMERICA,

**CASE NO.: 3:14-cr-00184-JO-2**

Plaintiff,

**PETITION TO ENTER PLEA OF  
GUILTY, CERTIFICATE OF  
COUNSEL, AND ORDER ENTERING  
PLEA**

vs.

BLANCEY LEE,

Defendant.

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The defendant represents to the court:

1. My name is Blancey Lee.
2. I speak and understand English fluently.
3. My attorneys are Steven Ungar and Benjamin Souede of Angeli Ungar LLC.
4. My attorneys and I have discussed my case fully. I have received a copy of the

Superseding Indictment. I have read the Superseding Indictment, and I have discussed it with

my attorneys. My attorneys have counseled and advised me concerning the nature of the charges, any lesser-included offenses, and the possible defenses that I might have in this case. I have been advised and understand that the elements of the charges alleged against me to which I am pleading "GUILTY" are as follows: (1) As to Count 13 (which charges the crime of Conspiracy to Commit Transactional Money Laundering in violation of 18 U.S.C. § 1956(h)), I engaged in monetary transactions in cooperation with Rachel Lee, which transactions affected interstate commerce and involved a value greater than \$10,000. At the time I engaged in these transactions, I had a subjective belief that there was a high probability that these monetary transactions involved property derived from some form of unlawful activity, and I took the deliberate action of failing to investigate whether the monetary transactions involved property derived from some form of unlawful activity. These transactions included but were not limited to the purchase of a 2012 Bentley and a 2013 Ferrari on July 27, 2013, in California, and in fact involved property derived from wire fraud. (2) As to Count 17 (which charges the crime of Filing a False Form 1040, in violation of 26, U.S.C. §7206(1)): I electronically signed my 2012 Form 1040 and caused the 2012 Form 1040 to be electronically filed with the Internal Revenue Service. I knowingly provided false information to my return preparer, Laurie Mills, regarding income and dependents to be included in my 2012 Form 1040. For 2012, I declared \$30,936 in net business income and failed to report income I received from Rachel Lee's fraudulent scheme and income I received from rental properties. I also fraudulently claimed Giorgio Lee as my son and dependent in my 2012 Form 1040, knowing that Giorgio Lee is not my legal son.

5. I know that if I plead "GUILTY," I will have to answer any questions that the judge asks me about the offense to which I am pleading guilty. I also know that if I answer

falsely, under oath, and in the presence of my attorney, my answers could be used against me in a prosecution for perjury or false statement.

6. I am not under the influence of alcohol or drugs. I am not suffering from any injury, illness or disability affecting my thinking or my ability to reason. Having spent substantial time with my attorneys discussing this matter, I am confident that I am capable of clear thinking and have the ability to reason in this matter.

7. I understand that conviction of a crime can result in consequences in addition to imprisonment. Such consequences may include deportation, or removal from the United States, or denial of naturalization, if I am not a United States citizen; loss of eligibility to receive federal benefits; loss of certain civil rights (which may be temporary or permanent depending on applicable state or federal law), such as the right to vote, to hold public office, and to possess a firearm; and loss of the privilege to engage in certain occupations licensed by state or federal governments.

8. I know that I may plead "NOT GUILTY" to any crime charged against me and that I may persist in that plea if it has already been made. I know that if I plead "NOT GUILTY" the Constitution guarantees me:

a. The right to a speedy and public trial by jury, during which I will be presumed to be innocent unless and until I am proven guilty by the government beyond a reasonable doubt and by the unanimous vote of twelve jurors;

b. The right to have the assistance of an attorney at all stages of the proceedings;

c. The right to use the power and process of the court to compel the production of evidence, including the attendance of witnesses in my favor;

d. The right to see, hear, confront, and cross-examine all witnesses called to testify against me;

e. The right to decide for myself whether to take the witness stand and testify, and if I decide not to take the witness stand, I understand that no inference of guilt may be drawn from this decision; and

f. The right not to be compelled to incriminate myself.

9. I know that if I plead "GUILTY" there will be no trial before either a judge or a jury, and that I will not be able to appeal from the judge's denial of any pretrial motions I may have filed concerning matters or issues not related to the court's jurisdiction.

10. In this case I am pleading "GUILTY" under Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. My attorney has explained the effect of my plea under Rule 11(c)(1)(C) to be as follows: My plea of guilty is under Rule 11(c)(1)(C); the parties agree that a specific sentencing range is the appropriate disposition of this case, and that recommendation will bind the Court once the Court accepts the plea agreement. I may withdraw my guilty plea if the Court does not follow the agreements or recommendations contained in that agreement.

11. I know the maximum sentence which can be imposed upon me for the crimes to which I am pleading guilty are: (1) with respect to Count 13, 20 years of imprisonment and a fine of \$500,000 or twice the value of the property involved in the transaction, whichever is greater; and (2) with respect to Count 17, 3 years of imprisonment and a fine of \$100,000.

12. I know that the judge, in addition to any other penalty, will order a special assessment as provided by law in the amount of \$100 per count of conviction.

13. I know that if I am ordered to pay a fine, and I willfully refuse to pay that fine, I can be returned to court, where the amount of the unpaid balance owed on the fine can be substantially increased by the judge and I can be imprisoned for up to one year.

14. My attorney has discussed with me the Federal Sentencing Guidelines. I know they are used by the Court as advisory in determining a reasonable sentence. I also know that the sentencing judge, in determining the particular sentence to be imposed, must consider those factors set forth in Title 18, Section 3553(a) of the United States Code, including but not limited to: the nature and circumstances of the offense, my own history and characteristics, and the goals of sentencing. I know it is the judge who makes the final decision as to what sentence will be imposed. I also know that a judge may not impose a sentence greater than the maximum sentence referred to in paragraph 10, above. I also know that if the judge accepts the plea agreement in this case, he will sentence me within the specific sentencing range agreed to by the parties, as referred to in paragraph 9, above.

15. I know from discussions with my attorney that, under the Federal Sentencing Guidelines, if I am sentenced to prison, I am not entitled to parole. I will have to serve the full sentence imposed except for any credit for good behavior that I earn. I can earn credit for good behavior in prison at a rate of up to 54 days for each year of imprisonment served. Credit for good behavior does not apply to a sentence of one year or less.

16. I know that if I am sentenced to prison, the judge will impose a term of supervised release to follow the prison sentence. During my supervised release term, I will be supervised by a probation officer according to terms and conditions set by the judge. In my case, a term of supervised release can be up to three years. If I violate the conditions of supervised release, I may be sent back to prison.

17. I know that in addition to or in lieu of any other penalty, the judge can order restitution payments to any victim of any offense to which I plead guilty. I am also informed that, for certain crimes of violence and crimes involving fraud or deceit, it is mandatory that the

judge impose restitution in the full amount of any financial loss or harm caused by an offense. If imposed, a victim can use an order of restitution to obtain a civil judgment lien. A restitution order can be enforced by the United States for up to twenty (20) years from the date of my release from imprisonment, or, if I am not imprisoned, twenty (20) years from the date of the entry of judgment. If I willfully refuse to pay restitution as ordered, a judge may resentence me to any sentence which could originally have been imposed.

18. On any fine or restitution in an amount of \$2,500 or more, I know that I will be required to pay interest unless that fine or restitution is paid within fifteen (15) days from the date of the entry of judgment.

19. If I am on probation, parole, or supervised release in any other state or federal case, I know that by pleading guilty in this court my probation, parole or supervised release may be revoked and I may be required to serve time in that case, which may be consecutive, that is, in addition to any sentence imposed on me in this court.

20. If I have another case pending in any state or federal court, I know that my Petition and Plea Agreement in this case do not, in the absence of an express and written agreement, apply to my other case(s), and that I can be faced with consecutive sentences of imprisonment.

21. My plea of "GUILTY" is based on a Plea Agreement that I have made with the prosecutor. The Plea Agreement is attached hereto and incorporated herein. I have read the Plea Agreement and I understand it.

22. The Plea Agreement contains the only agreements between the United States government and me. No officer or agent of any branch of government (federal, state, or local) or anyone else has promised or suggested that I will receive a lesser term of imprisonment, or

probation, or any other form of leniency if I plead "GUILTY" except as stated in the Plea Agreement. I understand that I cannot rely on any promise or suggestion made to me by a government agent or officer which is not stated in writing in the Plea Agreement, or which is not presented to the judge in my presence in open court at the time of the entry of my plea of guilty.

23. My plea of "GUILTY" is not the result of force, threat, or intimidation.

24. I hereby request that the judge accept my plea of "GUILTY" to Counts 13 and 17 of the Superceding Indictment dated September 4, 2014.

25. I know that the judge must be satisfied that a crime occurred and that I committed that crime before my plea of "GUILTY" can be accepted. With respect to the charge to which I am pleading guilty, I represent that I did the following acts and that the following facts are true:

(1) As to Count 13 (which charges the crime of Conspiracy to Commit Transactional Money Laundering in violation of 18 U.S.C. § 1956(h)), I engaged in monetary transactions in cooperation with Rachel Lee, which transactions affected interstate commerce and involved a value greater than \$10,000. At the time I engaged in these transactions, I had a subjective belief that there was a high probability that these monetary transactions involved property derived from some form of unlawful activity, and I took the deliberate action of failing to investigate whether the monetary transactions involved property derived from some form of unlawful activity. These transactions included but were not limited to the purchase of a 2012 Bentley and a 2013 Ferrari on July 27, 2013, in California, and in fact involved property derived from wire fraud. (2) As to Count 17 (which charges the crime of Filing a False Form 1040, in violation of 26, U.S.C. §7206(1)): I electronically signed my 2012 Form 1040 and caused the 2012 Form 1040 to be electronically filed with the Internal Revenue Service. I knowingly provided false information to my return preparer, Laurie Mills, regarding income and dependents to be included in my 2012

Form 1040. For 2012, I declared \$30,936 in net business income and failed to report income I received from Rachel Lee's fraudulent scheme and income I received from rental properties. I also fraudulently claimed Giorgio Lee as my son and dependent in my 2012 Form 1040, knowing that Giorgio Lee is not my legal son.

26. I offer my plea of "GUILTY" freely and voluntarily and of my own accord, with a full understanding of the allegations set forth in the Superseding Indictment, and with a full understanding of the statements set forth in this Petition and in the Certificate of my attorney that is attached hereto.

SIGNED by me in the presence of my attorney, after reading all of the foregoing pages and paragraphs of this Petition on this 21<sup>st</sup> day of January 2015.



\_\_\_\_\_  
Blancey Lee

**CERTIFICATE OF COUNSEL**

The undersigned, as attorney for defendant Blancey Lee, hereby certifies:

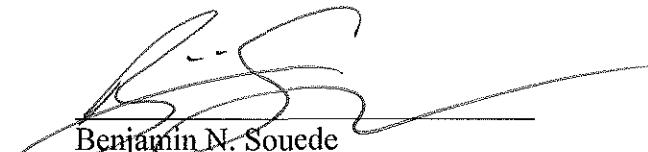
1. I have fully explained to the defendant the allegations contained in the Superseding Indictment in this case, any lesser-included offense(s), and the possible defenses which may apply in this case.

2. I have personally examined the attached Petition to Enter Plea of Guilty and Order Entering Plea, explained all its provisions to the defendant, and discussed fully with the defendant all matters described and referred to in the Petition.

3. I have explained to the defendant the maximum penalty and other consequences of entering a plea of guilty as described in the Petition, and I have also explained to the defendant the applicable Federal Sentencing Guidelines.

4. I recommend that the Court accept the defendant's plea of "GUILTY."

SIGNED by me in the presence of the above-named defendant, and after full discussion with the defendant of the contents of the Petition to Enter Plea of Guilty, and any Plea Agreement, on this 21<sup>st</sup> day of January 2015.



Benjamin N. Souede  
Attorney for Defendant Blancey Lee

**ORDER ENTERING PLEA**

I find that the defendant's plea of GUILTY has been made freely and voluntarily and not out of ignorance, fear, inadvertence, or coercion. I further find the defendant has admitted facts that prove each of the necessary elements of the crime to which the defendant has pleaded guilty.

IT IS THEREFORE ORDERED that the defendant's plea of GUILTY be accepted and entered as requested in this Petition and as recommended in the Certificate of defendant's attorney.

DATED this 26 day of January 2015, in open court.

  
Hon. Robert E. Jones  
Senior United States District Court Judge